

The Colorado River Reliability Plus

It's our heart and soul. The Metropolitan Water District of Southern California has relied on the Colorado River as its lifeblood since the first drops traveled through the Colorado River Aqueduct in 1941. But in 1963, Metropolitan lost half its firm Colorado River supplies in a legal battle.

Southern Nevada has experienced substantial economic growth in recent decades, and its regional economy is expected to prosper in the future. This phenomenal growth was not anticipated in 1928, however, when use of the Colorado River was apportioned, leaving Nevada with rights to only 300,000 acre-feet (AF) per year. In a recent extensive regional planning process, the Southern Nevada Water Authority (SNWA) determined that additional Colorado River water supplies were essential for the long-term health of the Nevada economy.

Today, Metropolitan and the SNWA have designed a handful of projects collectively known as "Reliability Plus." This partnership and program represent a historic event in interstate water resource planning.

Once implemented, these projects will transform 30 years of uncertain Colorado River supplies into 30 years of certainty. The projects emphasize strategies such as credit for conservation investments, sound water management and banking policies, and criteria to use surplus river water.

Metropolitan has committed more than \$200 million to projects already underway. An additional \$200 million will be invested in the Reliability Plus program to ensure a reliable water supply for the urban economies in the lower Colorado River region.

Included in the Reliability Plus program are:

- A partnership between Metropolitan and the SNWA to implement a conservation program that constructs a \$120 million concrete-lined canal parallel to 23 miles of the earthen All-American Canal with cooperation from the Imperial Irrigation District (IID) and Coachella Valley Water District. This canal would provide savings of about 68,000 AF of water per year, currently lost through seepage.

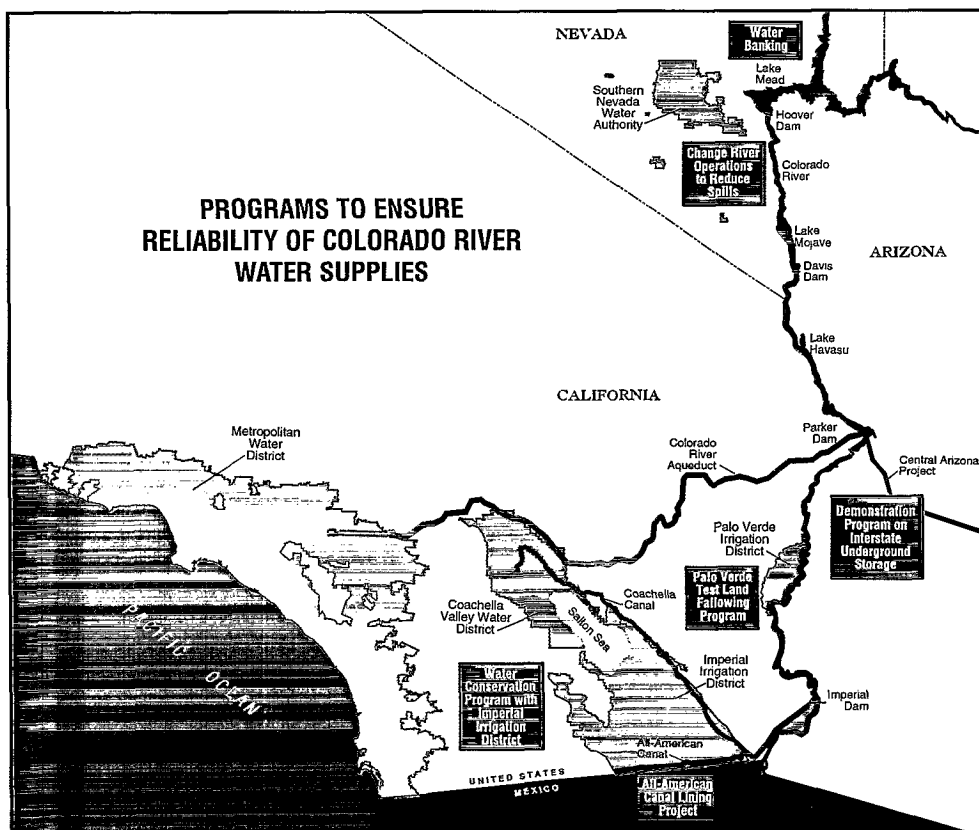
In exchange for funding the canal construction, Metropolitan and the SNWA have the opportunity to utilize the conserved water for 55 years with an option to renew for another 55 years.

The SNWA will provide \$50 million of the funding for the All-American Canal and will receive 30,000 AF per year of the project's conserved water. This saved water also provides the impetus to develop other long-term agreements.

- An approach to optimize management of the Colorado River reservoirs, which would spell out when surplus water is available and how unused water is apportioned among Arizona, California and Nevada. These changes in river operations are expected

SNWA and other regional agencies to store water for later use, thereby providing incentives for significant investments in conservation.

- An interstate alliance among Arizona, California and Nevada to store unused Colorado River water in central Arizona groundwater basins in cooperation with the Central Arizona Water Conservation District would take greater advantage of high-water years. Currently, Metropolitan and the SNWA each have 50,000 AF stored



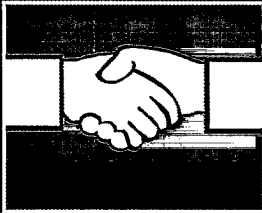
to make additional low-cost water available to Metropolitan and SNWA with no impacts on other Colorado River water users. Nevada would receive the first 60,000 AF, California the second 60,000 AF of unused Arizona apportionment and they would share amounts beyond this.

- A proposal to utilize the vacant capacity in Colorado River reservoirs for water banking. This would permit Metropolitan, the

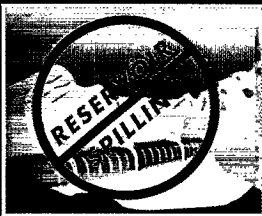
underground, which may be recovered once surplus releases are made from Lake Mead.

- The funding of various projects to conserve water, in cooperation with IID, which improve IID's distribution system and on-farm water management. Nearly 75,000 AF per year have been conserved to date and total annual savings will reach 106,000 AF by 1997.

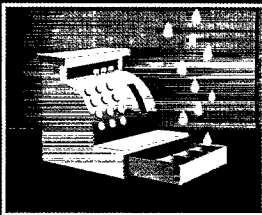
COMPONENTS OF IMPROVED WATER MANAGEMENT



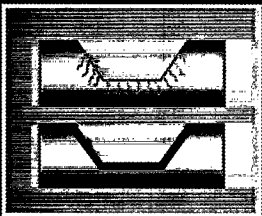
PARTNERSHIP



CHANGE RIVER OPERATIONS TO REDUCE SPILLS



WATER BANKING



CANAL LINING AND ON-FARM CONSERVATION PROGRAMS

- *The Palo Verde Irrigation District Test Land Fallowing Program: Between 1992 and 1994, Metropolitan paid Palo Verde Valley farmers to fallow more than 20,000 acres of land. That's about 22 percent of the irrigated acreage in the valley that surrounds the city of Blythe. To be used on an as-needed basis in Southern California, the conserved water — nearly 186,000 AF — is stored currently in Lake Mead for use by Metropolitan.*

- *The facilitation of a settlement of a long-standing dispute between five bands of Mission Indians and the city of Escondido and Vista Irrigation District. This arrangement would permit the sale of 16,000 AF of supplemental water annually to the San Luis Rey River Indian Water Authority.*

Economics

Colorado River supplies are an integral part of Southern California's \$475 billion economy, which supports nearly 16 million residents, a population base that continues

Partnership support

Metropolitan was created in 1928 to build an aqueduct from the Colorado River to the coastal plain of Southern California. The Southern Nevada Water Authority was created in 1991 to respond to water and wastewater issues of growing importance in the Southern Nevada area. Together, they are planning for the future.

Your support is needed to secure the innovative Colorado River resource management strategy encompassed by the Reliability Plus program. We are at a turning point in the river's history — moving

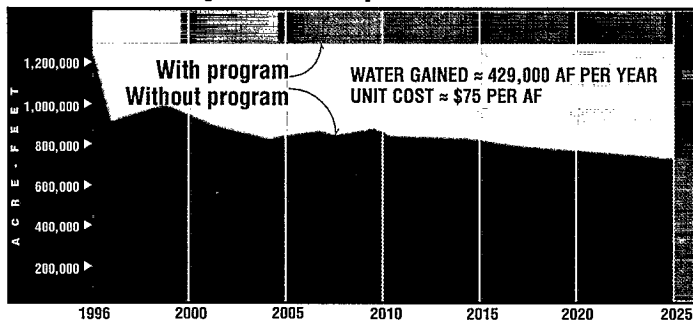
from a period of regional uncertainty to a generation of certainty. The alliances forged through these programs will provide secure, affordable deliveries over the next 30 years.

We need your support because the programs must be approved by the U.S. Secretary of the

Interior. We are confident the interstate alliances and programs we have started are novel approaches toward making once uncertain Colorado River supplies more dependable.

For additional information on the Reliability Plus program, contact Sal Vazquez, manager of Metropolitan's government affairs at (213) 217-6752 or Larry Brown, director of public services for Southern Nevada Water Authority at (702) 258-3263.

Reliability Plus - Metropolitan Water District



to grow by about 230,000 people annually. By the year 2010, Metropolitan's consumer population is projected to be almost 19.5 million.

Likewise, this water supply is a key factor in the growth of Southern Nevada's \$20 billion economy. With up to 60,000 people annually moving to join the nearly 1 million residents, by the year 2010 Southern Nevada's population is expected to be about 2 million.

It makes economic sense to implement these programs. The average cost of the water is no more than \$75/AF. Even with the highest component of \$150/AF, the low-cost water from these programs will strengthen not only the Southland's economy, but will ensure the continued economic vitality in Southern Nevada.

For many years Metropolitan worked with long-range plans that assumed the Colorado River Aqueduct would be only half full. As it turns out, the river's reservoirs have been full or nearly full over the last 10 years, permitting all users to continue diverting as much Colorado River water as needed. Full, however, does not mean reliable.

The Colorado River Reliability Plus program assures that the supplies will indeed be dependable for the next 30 years. Reliable at a reasonable cost.



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